



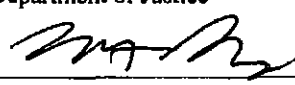
THE NAVAJO NATION

Division of Community Development

Joe **SHIRLEY**, Jr.
PRESIDENT

Frank J. **Dayish**, Jr.
VICE PRESIDENT

March 15, 2006

TO: Dana Bobroff
Deputy Assistant Attorney General
Department of Justice


FROM: Norbert Nez
Computer Operations Supervisor
Division of Community Development

SUBJECT: Request for Clarification of E-Rate Vendor Qualifications

The Navajo Nation Education Consortium has applied for E-Rate discount funding to provide telecommunication services to rural entities of the Navajo Nation. The Division of Community Development has identified the source for matching funds. This source is in the form of a lease agreement between the Navajo Nation and On-Sat Native American Services, Inc. According to preliminary discussions On-Sat would lease communication equipment from the Navajo Nation, provided that On-Sat is selected as a service provider.

However, according to the attached Form 471 Receipt Acknowledgement Letter from the Universal Service Administrative Company (USAC), paragraph 3 indicates, "Funds from an outside source...must not come directly or indirectly from your service provider(s)" or "Service providers may not waive the non-discount portion of the costs."

On behalf of the Navajo Nation E-Rate Funding selection committee, I am requesting a review of the attached lease agreement details drafted and submitted by Onsat, Form 471 Receipt Acknowledgement Letter from USAC, and a letter from Mr. Arbin Mitchell dated, February 15, 2006, to ensure we are in compliance with E-Rate protocol.

Also, I am requesting an official written response that can be referenced in our communications with the USAC and service providers. For further information regarding e-rate discounts you may go to the USAC schools and libraries program website at <http://www.universalservice.org/sl/>. Due to the demand of USAC deadlines we are requesting an expedited review.

Thank you. If you have any questions, call me at x7089.

Attachments:

Xc:

Arbin Mitchell, Acting Division Director, Community Development
Ernest Franklin Jr., Executive Director, NN Telecommunications Regulatory Commission
Pearl Lee, Program Manager, NN Communications and Utilities Department
Irving Nelson, Program Supervisor, NN Library Services



Universal Service Administrative Company
Schools & Libraries Division

FORM 471 RECEIPT ACKNOWLEDGMENT LETTER
(Funding Year 2006: 07/01/2006 - 06/30/2007)

March 8, 2006

Ernest Franklin
NAVAJO NATION DINE EDUCATION CONSORTIUM
P.O. BOX 9000
WINDOW ROCK, AZ 86515

Re: Form 471 Application Number: 536820
Funding Year 2006: 07/01/2006 - 06/30/2007
Applicant's Form Identifier: nndec_07d
Billed Entity Number: 233673

This notification is an acknowledgment of receipt and successful data entry of your FCC Form 471, "Services Ordered and Certification Form," reflecting \$106,560.00 in total Schools and Libraries Program year pre-discount costs for services for Funding Year 2006. This letter confirms that the Form 471 and the signed or electronically certified Form 471 Certification have been received. Please note that the later of these Form 471 application materials was postmarked or received by USAC on 02/16/2006. Your application will be considered within the Form 471 application filing window wherein all applications that meet the Minimum Processing Standards are treated as though they were received on the same day. It is important that you retain this Form 471 Receipt Acknowledgment Letter (RAL) for your records.

While the Item 21 Attachments are not a window filing requirement, you are encouraged to send them as soon as possible, if you have not already done so. You may submit your Item 21 Attachments using our online system, or manually via e-mail, fax or mail. (See "Item 21 Attachments For Form 471" posted on our website at www.sl.universalservice.org.)

NOTE: Item 25 on the Form 471 is a certification that you have secured access to the resources necessary to pay for: (1) the non-discount portion of the costs for eligible services within the funding year, and (2) the ineligible products and services necessary to make effective use of the eligible services you have requested. "Secured access" means that you can show that these funds are, or will be, part of your annual budget; or, if you are obtaining the funds from an outside revenue source, that these funds have been acquired or committed. IF YOU OBTAIN THESE FUNDS FROM AN OUTSIDE SOURCE, THE FUNDS MUST NOT COME DIRECTLY OR INDIRECTLY FROM YOUR SERVICE PROVIDER(S). SERVICE PROVIDERS MAY NOT WAIVE THE NON-DISCOUNT PORTION OF THE COSTS.

THIS LETTER DOES NOT CONTAIN ANY DECISIONS CONCERNING YOUR REQUESTS FOR DISCOUNTS. NOTE, HOWEVER, THE THREE-WEEK RESPONSE DEADLINE DESCRIBED BELOW.

It is important that you keep the Form 471 Application Number cited above for future communications with us. Our Program Integrity Assurance (PIA) Team will now review your application for compliance with program rules. Once the review of your application has been completed, you will receive one or more Funding Commitment Decision Letters (FCDLs) to inform you of our decisions on your Funding Requests. You cannot assume that USAC will approve the discounts you have requested before an FCDL is issued.

Federal Communications Commission (FCC) rules require you to retain documentation showing that you have complied with all statutes and Commission rules regarding the application for, receipt of, and delivery of services receiving schools and libraries discounts. (See 47 C.F.R. 54 Secs. 504-516.) You must retain all required documents for a period of at least five years after the last day of service delivered. A descriptive list illustrating documents that service providers and beneficiaries must retain is included in the Form 471 Instructions. All documents used during the

competitive bidding process including correspondence between the beneficiary and prospective bidders regarding the products and service sought and all winning and losing bids submitted, must be retained.

ALLOWABLE CORRECTIONS USING THE RAL (ACT WITHIN THREE WEEKS!)

If you find data entry errors in the Block 5 Funding Requests Report following this letter or you previously identified errors on your Form 471, certain of these errors can be corrected using this Form 471 RAL.

- You MUST, at a minimum, include the signature, printed name and official title of either the contact person on this letter or the authorized person on the Form 471.
- Requests should be received or postmarked within three weeks of the date of this letter.

If any of the required information is missing or the request is late, the request may not be processed, but may be included in the review of the form.

ALLOWABLE CORRECTIONS include:

- A. **CORRECTIONS TO BLOCK 1 INFORMATION:** You may correct Block 1 items such as the contact person's name, street address, etc.
- B. **CORRECTIONS TO BLOCK 4 INFORMATION:** While the RAL does not contain Form 471, Block 4 Worksheet information, you may check this information on our website. (See the last paragraph in this letter for instructions on displaying application data.) You may correct an Entity Number listed on a Block 4 Worksheet. You may also provide or correct a National Center for Education Statistics (NCES) or Federal-State Cooperative System (FSCS) code. If needed, include an additional page from a blank Form 471 Block 4 Worksheet with ALL columns completed. If the Form 471 has multiple worksheets, be sure to indicate the worksheet number(s) for which you are requesting the Entity Number correction(s) be made. The Item 21 Attachment must substantiate corrections to Block 4. (See the FCC Order DA 02-90, released January 14, 2002.)

~~NOTE: If a Block 4 correction will lead to a decrease in the original discount percentage requested, the correction will be processed. This revised calculation will become the new discount percentage for the worksheet and for any Block 5 Discount Funding Requests that reference the worksheet.~~

If a Block 4 correction would lead to an increase in the discount percentage requested, the original discount percentage will continue to be the discount percentage for the worksheet and for any Block 5 Discount Funding Requests that reference the worksheet.

- C. **REDUCTIONS TO BLOCK 5 DISCOUNT FUNDING REQUESTS:** You may request reductions to Block 5 Discount Funding Requests except for those that would increase your discount percentage due to a change in recipients of that Block 5 service. You may wish to reduce requests if, for example, you:
 - 1. will not be able to make use of services for which you requested discounts for the funding year, or
 - 2. based your Discount Funding Request(s) for tariffed or month-to-month service on a projected rate increase that is now known to be much smaller than expected.
- D. **CANCELLATIONS OF BLOCK 5 DISCOUNT FUNDING REQUESTS:** You may wish to cancel Block 5 Discount Funding Requests if, for example, you:
 - duplicated pending requests in Forms 471 for prior funding years where you had not received an ECDL before the close of the Form 471 application filing window, or
 - will not be able to make use of services for which you requested discounts for the funding year.

Reduction and cancellation requests are not subject to the three-week deadline.

USAC encourages applicants that know that they will not use all of the amounts requested to notify USAC of an appropriate reduction to or cancellation of these Discount Funding Requests. This action allows USAC to distribute the amounts that are available for the funding year more effectively.

- E. **CORRECTION OF AN INCORRECT FORM 470 APPLICATION NUMBER:** You may request a correction to the Form 470 application number you referenced on a Block 5 Discount Funding Request.

- F. **UNBUNDLING AN ERN:** You may request to "split" or "unbundle" an incorrectly combined Funding Request Number (ERN) with two or more services from different service providers (for example, local phone service from one company and long distance service from another for which you receive separate bills), or from different eligible service categories (such as Internal Connections Other than Basic Maintenance and Basic Maintenance of Internal Connections).

NOTE: The total dollar amount represented by the newly divided ERNs must not exceed the amount you requested for the original combined ERN.

To split or unbundle an incorrectly combined ERN, draw a line through the original combined ERN on the photocopy of your RAL. Then write in the SPIN, Service Provider Name, Services Ordered category, Total Program Year Pre-Discount \$ Amount, and Discount Percentage for each distinct service you have now "unbundled," making sure that the total dollars requested add up to no more than the ORIGINAL request.

- G. **CORRECTION OF AN INTERIM SPIN (143666666) OR INCORRECT SPIN:** Corrective Service Provider Identification Number (SPIN) changes are allowed. These include corrections because:
- the service provider did not have an assigned SPIN, or
 - there was a data entry error by the applicant or USAC, or
 - the company has merged with or been acquired by another company, or
 - the SPIN indicated on the Form 471 changed but the applicant did not initiate such a change.

Requests to change service providers for other reasons - called Operational SPIN Changes - are not allowed prior to commitment.

- H. **CORRECTION OF AN INCORRECT SITE IDENTIFIER:** You may correct the site identifier, which is the Entity Number of the recipient of a site-specific service from Block 5, Item 22a of the Form 471. (Use the guidance provided in Item B. above to correct a site identifier on a shared service.) The Item 21 Attachment must substantiate the correction to the site identifier. (See the FCC Order DA 02-90, released January 14, 2002.)

NOTE: If a site identifier correction will lead to a decrease in the original discount percentage requested, it will be processed. The revised calculation will become the new discount percentage for the Funding Request.

If a site identifier correction will lead to an increase in the discount percentage requested, the original discount percentage will continue to be the discount percentage for any Block 5 Funding Requests that reference the worksheet.

- I. **CORRECTION OF AN INCORRECT BUDGET CALCULATION:** You may correct the data you provided in Block 6, Item 25d for the total budgeted amount allocated to resources not eligible for E-rate support. (See the last paragraph in this letter for instructions on displaying application data.)

Note that these corrections should be RECEIVED OR POSTMARKED within three weeks of the date of this letter. Follow these simple steps to make corrections:

1. Photocopy your RAL.
2. Draw a line through each incorrect item, and mark clearly next to it what the correct information should be.
3. Provide the name of the contact person and the contact person's e-mail address, fax number, and telephone number on the first page of the RAL copy you send to USAC so that we can contact you if we have questions about your requested changes.
4. Sign and date the "Form 471 RAL Block 5 Funding Requests Report" and include it with your letter.
5. Make a photocopy of your marked-up letter to keep for your files.
6. Send your marked-up letter so that it is received or postmarked within three weeks of the date of this RAL. Corrections may also be filed by e-mail or by fax. Requests submitted by e-mail or fax will be considered filed on a business day if they are received at USAC at any time up to 12:00 a.m. (midnight) ET.

To send your marked-up letter and any additional pages by US Postal Service or other carrier, mail to:

Data Entry Corrections
Schools and Libraries Division
Box 125 - Correspondence Unit
100 South Jefferson Road
Whippany, NJ 07981

To send your marked-up letter and any additional pages by e-mail, use the "Submit a Question" feature on the website at www.sl.universalservice.org. Follow the online instructions for help on submitting attachments.

NOTE: To be filed by e-mail, your marked-up letter should be scanned (TIF file format is preferred). Total file size of the e-mail message must be less than 10 Megabytes. We automatically reply to incoming e-mails to confirm receipt.

To send your marked-up letter and any additional pages by fax, fax to:

(973) 599-6526

7. Allowable corrections received in a timely fashion will be reflected in your FCDL. We will not make corrections that do not fall into the categories defined as Allowable Corrections above. Please note that, except for the automated e-mail response, we will not advise you that we have received your change request.
8. Please notify your service provider of any corrections to the RAL that you submit to us. Your service provider was issued a copy of the original RAL. This correction will help your service provider keep your records updated.

MISSING FUNDING REQUESTS

If information about a particular Block 5 Discount Funding Request is not included in the itemized list of Block 5 FRNs reported in the attached "Form 471 RAL Funding Requests Report", this is because the FRN did not pass Minimum Processing Standards. If this is the case, you will receive a separate letter from USAC explaining the reason for rejection. If you believe that there were FRNs included in your Form 471 that are not listed in this letter AND you do not receive a letter informing you that those FRNs are rejected, please contact us using the e-mail, fax or mail instructions found earlier in this letter. Label your communication "QUESTIONS ABOUT RAL." Please note that our Client Service Bureau may not have the information necessary to respond to your inquiry. Therefore, your letter should be sent as described above for a RAL correction.

FUTURE CONTACTS WITH PROGRAM INTEGRITY ASSURANCE (PIA)

~~It may be important for us to contact you as our PIA Team reviews the funding requests contained in your Form 471. Our requests for clarification and/or additional documentation will require a prompt response to permit us to process as many applications as possible before the start of the Funding Year. The due date for such responses will be established at the time that the PIA Team contacts you. Please make sure that the contact person on your application is available to speak with the PIA Team, or that someone familiar with your application is available. In addition, you should monitor on a daily basis the fax and e-mail locations that you cited in your Form 471 for the contact person.~~

COMMUNICATIONS WITH YOUR SERVICE PROVIDERS

USAC is also sharing this FRN information with service providers whose SPINs are listed on Form 471 applications. This information is provided so that service providers can undertake the preparatory steps of identifying their potential customers for whom discounts may be issued. NO DISCOUNTS will be provided until after:

- the FCDL is issued for a particular application; AND
- technology plans, if applicable, have been approved; AND
- the applicant submits a Form 486 with a valid service start date.

We encourage applicants to contact their service providers to inform the service providers of the funding requests submitted to USAC. Service providers may request additional information concerning the specific services contained within each funding request in order to facilitate discounted billing, if that is the billing arrangement requested by the applicant.

If the interim SPIN (#143666666) is featured on a funding request, we have not been informed of the correct SPIN for the service provider associated with that Block 5 funding request. USAC WILL NOT commit funds on such requests until we are notified of the correct SPIN. You can contact your service provider to obtain your service provider's SPIN or you may search for the SPIN by using the SPIN Search tool under the Tools menu on our website. Once you have obtained the correct SPIN, use the guidance in the "ALLOWABLE CORRECTIONS USING THE RAL" section of this letter to notify USAC of the correct SPIN. If your service provider has not been issued a SPIN, ask the service provider to review the information for obtaining a SPIN on our website or to contact the USAC Customer Resource Center toll-free at 1-888-637-6226.

EXPLANATION OF FORM 471 RAL BLOCK 5 FUNDING REQUESTS REPORT

Certain information from each Block 5 Funding Request of Form 471 Application Number 536820 that passed Minimum Processing Standards and that could be entered into our data system is shown in the attached "Form 471 RAL Block 5 Funding Requests Report." There are eight important components of information shown for each Block 5 Funding Request:

- FRN (Funding Request Number): The unique number assigned by USAC to each Block 5 of your Form 471 once it has been data entered. This number is used to report to applicants and service providers the status of individual Block 5 Discount Funding Requests submitted on a Form 471.
- Form 470 Application Number: The Form 470 Application Number you provided in Block 5, Item 12 for this FRN. The Form 470 referenced must be in compliance with program rules.
- SPIN (Service Provider Identification Number): The unique number assigned by USAC to the service provider you identified as providing the service included in this FRN.
 - If you did not supply a valid SPIN with your Form 471, you will be required to do so before a funding commitment can be issued. (See F. CORRECTION OF AN INTERIM SPIN (143666666) OR INCORRECT SPIN above.)
- Service Provider Name: The name of the service provider that you identified as providing the service included in this FRN.
- Category of Service: The type of service for which you have requested discounts in each Block 5 funding request. The categories of services are Telecommunications Services, Internet Access, Internal Connections Other than Basic Maintenance, and Basic Maintenance of Internal Connections.
- Site Identifier: This will only appear if an Entity Number was provided in Block 5, Item 22a for site-specific services described in this FRN.
- Pre-discount Amount: The total annual pre-discount cost for each FRN. This amount is taken from Block 5, Item 23I.
- Discount Percentage: The discount percentage from Block 5, Item 23J.

If you would like to view additional funding request data, click the "Data Requests" button on the website and follow the instructions provided. If you would like to view your entire Form 471 application, click the "Display" button in the Apply Online Area of the website and enter your Form 471 Application Number. Use the print feature on your browser to print any portion of your Form 471 or the entire application as displayed.

Schools and Libraries Division
Universal Service Administrative Company

Form 471 RAL Block 5 Funding Requests Report

THIS REPORT DOES NOT CONTAIN ANY DECISIONS CONCERNING YOUR REQUESTS FOR DISCOUNTS.

ERN: 1485605

470 Application Number: 860880000574907

SPIN: 143026920 Service Provider Name: OnSat Native American Services, Inc.

Category of Service: Internet Access

Pre-discount Amount: \$106,560.00

Discount Percentage: 89%

Corrections Submitted by:

Signature: _____ Date: _____

Printed Name: _____

Title: _____

E-mail, Fax Number or Phone Number: _____